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DE RUEHKT #0791 0821213 ZNY CCCCC ZZH O 231213Z MAR 06 FM AMEMBASSY KATHMANDU TO RUEHC/SECSTATE WASHDC IMMEDIATE 0854 INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 4086 RUEHLM/AMEMBASSY COLOMBO PRIORITY 4356 RUEHKA/AMEMBASSY DHAKA PRIORITY 9439 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2339 RUEHLO/AMEMBASSY LONDON PRIORITY 3744 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9417 RUEAIIA/CIA WASHDC PRIORITY RHEFDIA/DIA WASHDC PRIORITY RHEHNSC/NSC WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY

C O N F I D E N T I A L KATHMANDU 000791

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DEPT FOR SCA/INS NSC FOR RICHELSOPH

E.O. 12958: DECL: 03/23/2016

TAGS: PREL XD NP

SUBJECT: SAARC SECRETARIAT ENTHUSIASTIC ABOUT OBSERVER

STATUS FOR U.S.

REF: SECSTATE 44531

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

SECRETARY GENERAL OF SAARC SECRETARIAT WELCOMES U.S. INTEREST

SIPDIS IN OBSERVER STATUS...

11. (C) Prior to the Ambassador's return, Charge delivered reftel talking points in a March 22 meeting with South Asian Association for Regional Cooperation (SAARC) Secretary General Mr. Chenkyab Dorji, who reacted positively to the U.S. request for observer status in SAARC. Dorji said the next step, procedurally, should be a formal letter from the U.S. Secretary of State to the Foreign Minister of Bangladesh, the current SAARC chair, requesting observer status in SAARC. Dorji noted that sending the formal request letter before the upcoming SAARC standing committee meeting of foreign ministers on April 10 could expedite the approval process. The Secretary General mentioned that the South Korean Ambassador to Nepal had also requested observer status in SAARC during a March 21 meeting. Dorji half-jokingly said his staff would have to expand to cope with the new wave of interest in SAARC, explaining that while SAARC had grown over its 20 years of existence, the staff of the SAARC Secretariat had remained static.

...ENTHUSIASTIC ABOUT FUTURE U.S COOPERATION WITH SAARC

12. (C) Dorji expressed hope that representatives of the U.S. government and the SAARC Secretariat would meet to discuss areas of cooperation once the formalities of the U.S. obtaining observer status were completed. Dorji noted the recent creation of a SAARC Commission for Poverty Alleviation, whose goal is to reduce poverty by 50 percent within SAARC countries by 2015. He added that member states had already contributed USD 300 million to a SAARC poverty alleviation fund. National contributions are based on a formula involving population and economic indicators, which mean that India had contributed the lion's share. When Dorji mentioned that the South Asian Free Trade Agreement (SAFTA)

had gone into effect on January 1, 2006, Charge drew his attention to a United States Agency for International Development (USAID)-funded technical assistance project in support of SAFTA, completed in the latter half of 2005, that had helped participants overcome difficulties and reservations in bringing the framework treaty into effect. Dorji noted that one of SAARC's current initiatives was an attempt to develop harmonized customs procedures. Charge pointed out that the U.S., often working with international organizations, had considerable experience in this area. He added that the U.S. was interested in assisting the development of viable regional organizations in South and Central Asia and indicated that the USG, once granted observer status, might be able to discuss provision of technical assistance to regional efforts to address common problems such as energy security, water and environmental issues.

## COMMENT

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13. (C) We had expected the SAARC Secretariat to be supportive of our request for observer status but the Secretary General's enthusiasm was apparent. He all but urged us to submit a formal letter of request before the April 10 ministerial.

MORIARTY